

SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 121 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 28-7-5-21 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. (a) The pawnbroker
- 5 shall, at the time of making a loan, deliver to the pledger or the
- 6 pledger's agent a memorandum or ticket on which shall be legibly
- 7 written or printed:
- 8 (1) the name of the pledger;
- 9 (2) the name of the pawnbroker and the place where the pledge is
- 10 made;
- 11 (3) the article or articles pledged and a description of the articles.
- 12 However, if multiple articles of a similar nature that do not
- 13 contain an identification or serial number (such as precious
- 14 metals, gemstones, musical recordings, video recordings, books,
- 15 or hand tools) are delivered together in one (1) transaction, the
- 16 description of the articles is adequate if the description contains
- 17 the quantity of the articles delivered and a physical description of
- 18 the type of articles delivered, including any other unique
- 19 identifying marks, numbers, names, letters, or special features;
- 20 (4) the amount of the loan;
- 21 (5) the date of the transaction;
- 22 (6) the serial number of the loan;
- 23 (7) the sum of the interest as provided in section 28 of this chapter
- 24 and the charge as provided in section 28.5 of this chapter stated as
- 25 an annual percentage rate computed in accordance with
- 26 regulations issued by the Federal Reserve Board under the Federal
- 27 Consumer Credit Protection Act (as defined in IC 24-4.5-1-302);
- 28 (8) the amount of interest;
- 29 (9) the amount of charge and principal due at maturity;
- 30 (10) a copy of sections 28, 28.5, and 30 of this chapter;
- 31 (11) the date of birth of the pledger;
- 32 (12) the type of government issued identification used to verify

1 the identity of the seller, together with the name of the
 2 governmental agency that issued the identification, and the
 3 identification number present on the government issued
 4 identification; ~~and~~

5 (13) the date on which the pledged article or articles may be sold
 6 if the loan is not redeemed, renewed, or extended, and the
 7 language must be in 14 point boldface type; ~~and~~

8 **(14) the date, time, place, and manner in which excess**
 9 **proceeds from the sale of a pawned article will be returned to**
 10 **the pledger, as required under section 30(d) of this chapter.**

11 (b) A pawnbroker may insert in such ticket any other terms and
 12 conditions not inconsistent with this chapter. However, nothing
 13 appearing on a pawn ticket shall relieve the pawnbroker of the
 14 obligations to exercise reasonable care in the safekeeping of articles
 15 pledged with him.

16 SECTION 2. IC 28-7-5-30 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 30. (a) Upon the
 18 expiration of two (2) months from the maturity of the loan, a pawned
 19 article becomes the property of the pawnbroker and is subject to sale.

20 **(b) Subject to subsections (c) through (e), a pawnbroker that**
 21 **sells a pawned article under this section may retain from the**
 22 **proceeds of the sale the sum of the following:**

23 **(1) The principal amount of the loan, plus accrued interest**
 24 **and any charge allowed under section 28.5 of this chapter.**

25 **(2) Any reasonable costs incurred by the pawnbroker in**
 26 **selling the pawned article, including costs incurred for**
 27 **advertising.**

28 **(c) If the proceeds of the sale of a pawned article under this**
 29 **section are less than the sum described in subsection (b), the**
 30 **pawnbroker may bring a civil action, in a court having jurisdiction,**
 31 **against the pledger for the difference between the sale proceeds and**
 32 **the sum described in subsection (b).**

33 **(d) If the proceeds of the sale of a pawned article under this**
 34 **section are greater than the sum described in subsection (b), the**
 35 **pawnbroker shall return the excess of the proceeds over the sum**
 36 **described in subsection (b) to the pledger not later than thirty (30)**
 37 **days after the date of the sale. The memorandum or ticket**
 38 **delivered to the pledger under section 21 of this chapter at the time**
 39 **the loan was made must specify the date, time, place, and manner**
 40 **in which any funds owed to the pledger under this subsection will**
 41 **be returned.**

42 **(e) The sale of a pawned article under this section shall be**
 43 **conducted in a commercially reasonable manner and in accordance**
 44 **with the standards that:**

45 **(1) apply to other institutions subject to regulation under this**
 46 **title; and**

47 **(2) concern the sale of property pledged as security for a loan.**

- 1 **(f) The department may adopt rules under IC 4-22-2 to**
- 2 **implement this section."**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to SB 121 as printed February 8, 2005.)

Senator STEELE